



## Committee of Seventy

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### HOW PHILLY WORKS : The Property Tax Battle Begins

The AVI debate raged as City Council members bombarded the Nutter administration today with questions about the controversial and complicated tax assessment program, known as AVI.

If you care about how much in property taxes you will pay in 2014 – whether you own or even rent a property in Philadelphia – you will want to pay careful attention to the property tax battle in City Council over the next several weeks. We'll do our best to bring you the latest news.

--March 25, 2013

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#### **Why are you saying the property tax battle started today? It seems like it's been going on forever.**

Today was Day #2 of Council's budget hearings. On the hot seat were several members of the administration and Richie McKeithen, Chief Assessment Officer of the Office of Property Assessments (OPA).

#### **Was the questioning brutal?**

Brutal may be a bit extreme. But there was a fair amount of testiness in the Room 400. Council members took turns asking questions big (AVI's impact on the entire city), small (AVI's impact on particular constituents) and provocative (is AVI designed to drive low income Philadelphians out of their homes?). Jannie Blackwell even accused the administration of refusing to come to meetings in her Third Councilmanic district. (McKeithen and the city's Finance Director Rob Dubow said administration officials have always made themselves available.)

#### **Are Council members really unsure about what's going on?**

No doubt Council members pose some questions for the benefit of their constituents. As Councilman Curtis Jones said during one of last year's budget hearings: "The tax man cometh but his math better be right because we are going to lose votes." But it appears members genuinely believe the city should be doing a better job of explaining AVI and its citywide impact, even going door-to-door, if necessary.

#### **Help! Everyone is talking about new real estate assessments. I haven't gotten mine.**

Don't panic. McKeithen said 428 new assessment notices still haven't been sent out. Yours could be among them. Remember the date you receive the notice. It's an important factor in figuring out the deadline for filing an appeal if you have concerns.

#### **What's the looming deadline you mentioned?**

March 31, 2013 – or 30 days from when you received your new assessment notice – is the deadline for filing what OPA calls a "First-Level Review Request." You should have gotten the request form in the



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envelope with your notice. So if you haven't gotten your notice yet, or you got your notice less than 30 days before March 31, you won't be held to the March 31 deadline. But you do need to submit your first-level review request no later than 30 days after getting your notice.

### **This process makes me very nervous. Can someone file a form for me?**

Yes, you can appoint an authorized representative to speak for you – or meet with someone at OPA if necessary. You must have it notarized though. Here's the form: [Appointment of Authorized Representative Form.](#)

### **What happens in a "First-Level Review?"**

An OPA evaluator will reconsider your new property assessment. You can submit pictures or recent appraisals for the evaluator to look at. But the discussion will not be about the actual tax bill you will pay in 2014. That number is determined by a mathematical formula involving your assessment (which you have received) and the tax rate (which you have not). Council will make a decision on the tax rate later in the budget hearings.

### **Could my assessment go higher after a first-level review?**

It could.

### **How quickly will my request be considered?**

McKeithen said his goal was to get them done by mid-August. So far his office has gotten 16,500 first-level review requests. And he told Eighth District Councilwoman Cindy Bass they could go as high as 30,000. The city's 2013-2014 budget takes into account that some property tax revenue could be held up pending the appeals.

### **Is March 31 a firm deadline?**

Actually, Councilwoman Maria Quiñones-Sánchez asked the same question since March 31 is a Sunday. Easter Sunday to be exact. McKeithen said his office will accept first-level review requests that arrive on Monday, April 1. But, again, your deadline is later if your 30-day window hasn't expired. And, as McKeithen pointed out, there are other avenues for property owners who aren't satisfied with the outcome of their first-level review or decided not to seek a first-level review.

### **What other avenues are you talking about?**

Property owners can file a formal appeal with the Board of Revision of Taxes (BRT). Those appeals must be filed by October 7, 2013. McKeithen says the appeals forms will be posted online after the March 31 first-level review requests deadline to avoid confusion between the two appeals processes.

### **BRT...BRT...BRT. Something's ringing a bell. Didn't the BRT go away years ago?**

Yes and No. In May 2010, after a blistering 2009 report by *The Philadelphia Inquirer* of unfairness and political favoritism at the BRT, Philadelphia voters overwhelmingly voted to eliminate the BRT and reassign its jointly-held real estate reassessment and assessment appeals responsibilities to two completely separate entities. But, four months later, the PA Supreme Court invalidated part of the voters'



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decision when they ruled that the assessment appeals functions can only be removed by the General Assembly – not the voters.

### **So the BRT still exists?**

It does, but its seven members only hear assessment appeals, such as the formal appeals that must be filed by October 7. (The assessments process is performed by the OPA, as the voters approved.) As a matter of fact, a few days ago, the PA Commonwealth Court ruled in favor of two BRT members who claimed that City Council did not have the authority to reduce BRT members' salaries.

### **Why doesn't the General Assembly just do away with the BRT?**

Seventy urged the General Assembly to do this after the Supreme Court's decision and there was some talk about it in Harrisburg. But it hasn't happened yet. Our best guess is that no one will push this right now given all the turmoil surrounding AVI. As Finance Director Rob Dubow said at today's hearing, the city's lobbyist in Harrisburg is focused on trying to get the General Assembly to move on legislation that requires state action to help Philadelphians handle their new property tax bills in 2014.

### **Harrisburg controls the schools and the Parking Authority. We need the legislature for AVI too?**

For some things. For example, it would take amending the state constitution to allow Philadelphia to tax commercial and residential properties at different rates (now there is a "uniformity" clause). The city is also looking to the General Assembly to allow property tax relief, based on income and age, for long-time residents in neighborhoods that have been gentrified (and who, as a result, have received increased property assessments). Allegheny County does this.

### **Back to my assessment. What should I do if I can't find my "First-Level Review Request" form?**

It depends on the type of property you own: residential (four units or less), multi-family residential, commercial. There are other forms you need to file if you own and earn income on a commercial or multi-family residential property. You can find the appropriate forms on OPA's website:

<http://www.phila.gov/OPA/Assessments/Pages/Appeals.aspx>. The same website has information on where you can pick up appeals forms in person.

### **One more question: I wasn't happy with my tax bill this year. Can I still appeal?**

You're out of luck. The deadline to appeal has come and gone.

*Seventy will be talking a lot about budget-related issues in the coming weeks. If you want to know how the hearings are going, or have specific questions, e-mail us at [futureofthecity@seventy.org](mailto:futureofthecity@seventy.org).*